

Instructions for Form 4013

2018 Resident Tribal Member Annual Sales Tax Credit

General Information

Complete Form MI-1040 before completing this form.

Not all Tribes have implemented Tax Agreements with the State of Michigan. You may only claim this credit if your Tribe has an implemented Tax Agreement with the State. Visit www.michigan.gov/incometax and select "Tax Information for Native Americans" to see if your Tribe has an implemented Tax Agreement.

Only qualifying Resident Tribal Members (RTMs) are eligible for the annual sales tax credit. An RTM is a Tribal Member whose principal place of residence is located within their Tribe's Agreement Area as described in his or her Tribe's Agreement and whose name appears on the RTM list submitted to the State.

Rounding Dollar Amounts

Round down amounts less than 50 cents. Round up amounts of 50 through 99 cents. Do not enter cents.

Line-by-Line Instructions

Lines not listed are explained on the form.

Line 4: Tribal Affiliation of RTM. Enter the two-digit Tribal Code using the following list:

Tribal Codes

(Only those whose Tribes have implemented Tax Agreements with the State of Michigan may file this form.)

- 01 Bay Mills Indian Community
- 02 Grand Traverse Band of Ottawa and Chippewa Indians
- 03 Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians (Gun Lake Tribe)
- 04 Hannahville Indian Community
- 07 Little River Band of Ottawa Indians
- 08 Little Traverse Bay Bands of Odawa Indians
- 09 Nottawaseppi Huron Band of Potawatomi Indians
- 10 Pokagon Band of Potawatomi Indians
- 11 Saginaw Chippewa Indian Tribe of Michigan
- 12 Sault Ste. Marie Tribe of Chippewa Indians

Line 7: If line 6 does not include income allocable to a non-RTM spouse or both spouses are qualifying RTMs, carry amount from line 6 to line 7. If only one filer is a qualifying RTM, enter only the RTM's share of the Adjusted Gross Income (AGI) on line 7 (see "Allocating the RTM Income" below).

Line 10: Public Assistance payments made directly to an RTM pursuant to a tribal supplemental assistance program qualifying under the Tribal General Welfare Exclusion Act of 2014.

Allocating the RTM Income

For most types of income, the amounts should be allocated based upon whoever earned the income or owns the account. For joint accounts, federal guidelines point to state law in determining rights of ownership. Absent evidence to the contrary, co-owners are presumed to have made equal contributions to a joint account. Records or notes used in determining and verifying the allocation of the AGI should be maintained.

Additions to Income

Lines 8 through 12 should include only those amounts paid to the qualifying RTM. Where both spouses are qualifying RTMs, the combined amounts of both spouses should be used. **Include income received on lines 8 through 12 to the extent it is not included in AGI on your U.S. Individual Income Tax Return, Form 1040.**

Line 14: Modified Adjusted Gross Income Cap. If only one spouse is a qualifying RTM, enter the amount from line 13 or \$80,000, whichever is less. If both spouses are qualifying RTMs, each spouse is limited to their share of the Modified Adjusted Gross Income to a maximum of \$80,000 each (see example).

Example. Spouses A and B filed a joint Michigan income tax return and both are qualifying RTMs. Their combined AGI is \$135,000. Spouse A's portion of the combined AGI equals \$95,000. Spouse B's portion equals \$40,000. Spouse A may include \$80,000 (the maximum allowed per RTM) and Spouse B may include \$40,000. Enter \$120,000 (\$80,000 + \$40,000) on line 14.

Line 16: Enter the number of months you qualify as an RTM. Where both taxpayers are qualifying RTMs, and both resided in the Agreement Area for different lengths of time, enter the greater number of months. For example, if you resided in the Agreement Area for 6 months, and your spouse resided in the Agreement Area for 3 months, enter 6 on line 16.

Line 17: Proration Percentage. Divide line 16 by 12 (the number of months in a year). For example, if you resided in your Tribe's Agreement Area for 9 months in 2018, divide 9 by 12 to equal .75. Enter 75 percent on line 17.

Mailing Information

If you are required to file a *Michigan Individual Income Tax Return* (Form MI-1040) and are also filing a *Resident Tribal Member Annual Sales Tax Credit* (Form 4013), do not attach it to your return. Fold it and leave it loose in the envelope.

If you need to amend your Form 4013, fill out a new one and file it separately. **Do not** include a copy of your MI-1040. **Only** if you are amending both your MI-1040 and 4013, then file both forms.

Mail your claim to:

Michigan Department of Treasury
Lansing, MI 48956

If you have any questions, visit www.michigan.gov/incometax or call 517-636-4486.